



Center for Medicaid and CHIP Services

Transitioning Low-Income Children from a Separate Children's Health Insurance Program (CHIP) to Medicaid

October 18, 2013

Statutory Background:

Section 2001(a)(5)(B) of the Affordable Care Act (implemented through regulations for the Medicaid program at §435.118) increased the minimum eligibility level for children from ages 6 through 18 in the Medicaid program from 100 percent to 133 percent of the Federal poverty level (FPL). According to the statute, children are eligible for Medicaid on January 1, 2014. States must:

- Enroll all new applicants, including both insured and uninsured children, within this age and income group into Medicaid state plan coverage; and
- Transition uninsured children within this age and income group currently enrolled in a separate CHIP into Medicaid state plan coverage.

This provision is designed to align with existing minimum eligibility levels for younger children, so that children in a family, regardless of their age, will generally qualify for the same program. Transitions that now occur when a child turns six will in most cases no longer be needed. In addition, if a state adopts the low-income adult coverage group, this also will mean that parents and children can be enrolled together in the Medicaid program.

CMS provided guidance on implementing this provision in a set of Frequently Asked Questions released on August 9, 2013, and available at <http://www.medicare.gov/federal-policy-guidance/downloads/faq-08-09-2013.pdf>. As specified in our Frequently Asked Questions on this topic, states will continue to receive the title XXI enhanced FMAP for children currently enrolled in a separate CHIP up to 133 percent of the FPL after the transition of coverage to Medicaid. States that need to transition these children from a separate CHIP to Medicaid will also need to submit Medicaid and CHIP state plans to effectuate these changes.

Moving Children from CHIP to Medicaid:

It is anticipated that states will move such children from coverage in their separate CHIP to coverage in Medicaid when the law becomes effective on January 1, 2014. In the event that a state can demonstrate that transitioning children with incomes between 100 and 133 percent of the FPL from

CHIP to Medicaid by January 1, 2014 will cause an undue hardship on families and/or a significant administrative burden on the state, CMS will consider an alternative proposal for transitioning children from CHIP to Medicaid. This notification must be received by CMS no later than Friday, November 1, 2013; accompanying proposals should be submitted shortly thereafter. Only those states that are requesting additional time and an alternative approach to implementing this provision are required to submit an alternative proposal (please see more detailed discussion on this topic below). We are available to work with states individually on their transition plans for this population.

Purpose of this Guidance:

In order to further assist states, this document reviews some of the applicable requirements and also provides some suggested best practices related to facilitating a smooth transition, ensuring minimal or no disruption in services for children, and limiting the administrative burden for states.

CHIP Regulatory Requirements: Coordination between CHIP and Medicaid

Consistent with CHIP regulations at §457.350(f), states must establish procedures in coordination with the Medicaid agency that facilitate enrollment in Medicaid and avoid duplicative requests for information and documentation. CHIP agencies must ensure that all information that has been previously collected for transition children, including the application and all relevant documentation, is successfully transferred to the Medicaid agency and that upon renewal families are not required to provide the same information that has already been collected by the state. As discussed below under the notices section, states must provide notice to families of the following:

- The child will be disenrolled from CHIP and immediately enrolled in Medicaid with no gap in coverage effective January 1, 2014 (or applicable date if state has been approved for alternative proposal),
- The basis (Federal law) and criteria (age and FPL) for moving children from CHIP to Medicaid,
- The opportunity to report a change in circumstance, and request a redetermination of eligibility, as well as the process for making this type of request.

Best Practices: Automatic Administrative Transfer and Reported Changes in Circumstances

An automatic, administrative transfer of children from CHIP to Medicaid is the most streamlined method states can use to implement this provision. The following procedures related to an automatic administrative transfer, renewal timeframes, and addressing reported changes in circumstances are recommended.

- Establish an automatic administrative transfer for all children between 100 and 133 percent of the FPL. A state may rely on the most recent income or FPL level in a child's eligibility file in determining which children will need to transition to Medicaid.
- Retain the renewal date that was previously provided to children in CHIP.
- Upon completion of the redetermination of eligibility for families that report a change in circumstance and request a renewal of eligibility prior to the applicable transition date, the following standards may be applied:

- If the child is determined to have income *below 133 percent of FPL*, he/she can be moved to Medicaid, regardless of whether a state has a continuous eligibility policy, and the renewal date can be set out 12 months from the date the redetermination was conducted.
- If the child is determined to have income *above 133% FPL*, he/she can be retained in CHIP and the renewal date for CHIP can be set out 12 months from the date the redetermination was conducted.
- If a child is determined to have income *above the CHIP limit*, and the state currently has a 12 month continuous eligibility period for CHIP, he/she can be retained in CHIP until the end of the original 12 month continuous eligibility period for CHIP.

Communication with Children and their Families:

The following provides some suggestions designed to assist states in communicating effectively with families about this transition. These suggestions are based on strategies that states with experience in transitioning populations have identified as critical to success.

Best Practices: Development of Materials Specific to the Transition

- Develop CHIP and Medicaid coordinated planning documents, such as a “*What We Need to Tell Families,*” grid, which identifies the key information families need to have, the originator (e.g., CHIP or Medicaid agency) for the communication, the type of document for communicating the information (i.e., notice, pamphlet, updating a web site, etc.) and the timeline for releasing the documents. We expect that states will issue formal communication (e.g., notices), but may also want to include additional resources for families in a pamphlet, web page, call-center, etc.
- Develop a master list of key messages in plain language that communicate the information relevant to the transition. Develop a template which provides a framework for organizing the key messages in a flow that will serve as a guide for constructing consumer-facing information.
- Develop consumer facing notices that are refined through feedback from consumer advocates, a health literacy expert, and consumer testing, if possible.
- Make notices available in languages that meet the needs of your state’s population, and at a reading level and in a format for optimal readability.
- Create informing materials *specifically* focused on explaining the transition, including key messages for state and community staff to use in answering questions.
- Establish a process for posting information explaining the transition online at both the Medicaid and CHIP pages of the website. Share this link broadly with stakeholders, plans, and providers.
- Display consumer friendly information and downloadable materials regarding the transition on state CHIP and Medicaid websites, such as notifications to providers regarding system changes, implementation plan and timelines, and communications with families. It is also useful to include information about local resources for support.

- Create an online video explaining the transition process, and the steps involved in the process for the consumer. Share the video with health plans and community providers to give them an opportunity to show it in their waiting rooms.
- Ensure accurate and consistent responses to questions about the transition through ongoing collaboration between the Medicaid and CHIP agencies. For example, create shared scripts to be used by call centers available to families, ombudsman offices, health plan customer service lines, and any other relevant entity disseminating information on the transition.

CHIP Regulatory Requirements: Notices

As specified at 457.340(e), at a minimum, states must provide each enrollee with a written notice of any decision related to a determination of eligibility. This would include a notice that a change in Federal law will require an automatic change in eligibility so that all children from ages 6 through 18 in the CHIP program from 100 percent to 133 percent of the FPL will move to the Medicaid program on January 1, 2014. States must convey the following information in their notices:

- The child will be disenrolled from CHIP and immediately enrolled in Medicaid with no gap in coverage effective January 1, 2014 (or applicable date),
- The basis (Federal law) and criteria (age and FPL) for moving children from CHIP to Medicaid,
- The opportunity to report a change in circumstance, and request a redetermination of eligibility, as well as the process for making this type of request,
- If a family has experienced no change in circumstance, the family will move to Medicaid on January 1, 2014 (or applicable date), and
- Families that do not report a change in circumstance prior to January 1, 2014 (or applicable date) will have the opportunity to report a change in circumstance to Medicaid after the transition, and appeal an eligibility determination in Medicaid at that time if needed.

Please also see CHIP requirements related to information on continuity of care in notices below.

Best Practices: Notices

Based on state experience, we encourage states to:

- Develop notices that allay concerns about a transition and convey ongoing, seamless coverage. For example, instead of “your child will stop receiving benefits from CHIP,” indicate “your child will begin receiving benefits from the Medicaid program.”
- Create a general notice and orientation, based on input from consumer advocates and other key stakeholders, for families and beneficiaries with basic information about the transition and their coverage. Providing a general notice to families will help reduce consumer confusion and prevent eligibility workers from being bombarded with questions from consumers that may be confused about process and program changes. The **general notice** is most help to families if it includes the following type of information:

- The reason for the change/transition and basis for determination, such as “A new Federal law says that some children in CHIP will now be able to receive coverage under Medicaid.”
- The date of the transition, such as “Your child’s health insurance will move from CHIP to Medicaid on January 1, 2014.”
- Assurance that all children will have coverage throughout the transition and coverage will not be interrupted, such as “your child will not lose health coverage,” or “Your child will continue to have health, dental, mental health, and vision services as well as prescription medications during this move.” Or “Your child will now be able to receive additional benefits...”
- Information about how coverage and/or cost sharing may change under Medicaid, such as “Children in Medicaid do not pay co-payments for any type of service.”
- Clear information about how beneficiaries can keep their primary doctor and dentist.
- More detailed information will be forthcoming on the changes, such as “you will get more detailed information about this change before your child’s move to Medicaid.”
- What to do now, such as “Keep paying your CHIP premiums every month.”
- Who to contact for questions.
- Develop at least one specific notice (in addition to the general notice) and set of Frequently Asked Questions (FAQs) prior to the transition date with detailed information about the transition. We suggest including the following type of information (see timing and frequency of notices below) on:
 - Critical dates, such as the date of transition, and deadline for health plan selection if applicable.
 - Coverage and benefits information, including detailed information on how to access physical, dental, mental health, substance use disorder, and vision services.
 - Customer service support resources/who to contact (i.e. online, toll free telephone number, local in-person assistance available for troubleshooting and other issues).
 - A step-by-step process for selecting a new health plan or changing providers (if necessary), such as a reference to a searchable online provider directory.
 - Explanation of new and old health insurance cards.
- Send all transitioning families a welcome packet for Medicaid, which will include general Medicaid informing materials, such as general eligibility, covered services (including EPSDT), fair hearings, rights and responsibilities and continuity of care rights, and what to do if a family has a problem accessing care. Appropriate timing of this package after the transition to Medicaid will be important.

Best Practices: Timing and Origination of Notices

- Send an initial/general notice to the beneficiary from the existing entity/program (CHIP) interacting with the family as this is the entity they have a relationship with currently.
- Establish the appropriate timing and number of notices (90, 60 or 30 day) to adequately inform families of a change to come in advance, as well as provide details of the transition right before the change. Based on state experiences, we suggest that the initial/general notice be provided to families no less than 60 days prior to the transition date and that the specific details of the transition be noticed to families no sooner than 30 days prior to the transition.

Additional technical assistance more generally on developing notices (“Eligibility-Related Determination Notices: A Toolkit for States,” released on August 28, 2013) can be found at the following link

https://calt.cms.gov/sf/docman/do/listDocuments/projects/medicaid_state_collaborative_com/docman.root.medicaid_chip_eligibility.coverage_expansion_learning_coll

Best Practices: Stakeholder Engagement

States are encouraged to create a consistent and transparent process for community and stakeholder input in order to ensure that consumers and various stakeholders are aware of the upcoming program changes and the resources that will be available during the transition.

- Provide comprehensive consumer-friendly outreach to educate consumers, and train eligibility workers, community groups, providers and other “helpers” who will work with families to convey key program changes. Establish opportunities for such “helpers” to raise issues encountered on the frontlines and share best practices during the transition process.
- Form a path for providers and health plans to have easy access to the information they need to be able to effectively help consumers navigate the system. Many families who will be impacted by the proposed transition will likely turn to their child’s current provider to obtain information about process and benefit changes.
- Present trainings related to the transition for key partners (e.g., community based organizations, certified application assistants, enrollment entities, managed care entities, providers) who have operational roles in the transition.

Best Practices: Data Sharing Capabilities between Medicaid and CHIP

- Ensure that information technology systems and infrastructure are tested and operational to ensure a smooth and timely transition of electronic data and files for transition children and ongoing interface of necessary systems to correctly and expeditiously enroll new eligible applicants into Medicaid within this income group of children.
- Specify data exchange expectations between the Medicaid and CHIP agency, managed care plans, contractors, county systems if applicable, well in advance of the transition.

- Create specific eligibility codes for transition children so that their outcomes can be easily tracked during and after the transition

CHIP Regulatory Requirements: Continuity of Care Strategies

Consistent with CHIP regulations at §457.350(f), states must establish procedures in coordination with the Medicaid agency that facilitate enrollment in Medicaid and avoid disruptions in coverage. States must develop strategies to ensure there is continuity of care for those children in the middle of receiving treatment, such as those children taking specific medications, seeing a specialist, or already scheduled for surgery. Notices must describe the state's continuity of care provisions, including how to know if child's current providers accept Medicaid, what to do if a child is in the middle of a course of treatment or the family has a problem accessing care.

Best Practices: Continuity of Care Strategies

In addition, we suggest that states:

- Develop continuity of care protocols. For example, ensure that all managed care plans are fully staffed and familiar with the out-of-network provider authorization process. This will help ensure that under circumstances where a child cannot be transitioned to a new provider, the plan is able to preserve continuity of care for transitioning CHIP children whose treating providers are not in the plan's Medicaid network. Continuity of care is particularly important for children with serious medical conditions or special health care needs.
- Inform beneficiaries of consumer protections related to continuity of care, as well as the availability of real-time assistance dealing with access issues and dedicated help lines.
- Provide data to managed care plans to assist them in identifying enrollees with complex or extensive health care needs or high risk enrollees upon assignment or enrollment.
- Consider the development of an expedited prior authorization request process, and/or utilization management process, including a method for Medicaid to automatically accept CHIP specialty referrals, authorizations, and/or prescriptions previously provided to transition children.
- Develop a plan to facilitate continuity of care for children that will need to be assigned to new providers during the transition. For example, during its transition of children from CHIP to Medicaid, California improved its dental customer service referral process by having a representative remain on the line while transferring a family member to a dental provider who had actively indicated that he or she was accepting new patients. The customer service representative also helped the family member secure an appointment for the child.
- To minimize disruptions in coverage and access to care, ensure that beneficiaries, providers, and enrollment assistors are informed of the continuity of care protocols under the transition through easy to understand information.
- Inform consumers of the roles and responsibilities of the state and other key players, such as health plans, in preserving their right to care throughout the transition. We suggest this be a prominent piece in all informational materials for both the beneficiaries and providers.

Posters or other advisories should also be displayed in a prominent location in all provider offices.

Best Practices: Monitoring the Transition

- Identify performance standards, goals, or benchmarks, which will be the basis for ongoing monitoring and evaluations.
- Create a monitoring plan focusing specifically on enrollment, retention, and access to care to ensure beneficiaries are able to continue getting the care they need during and after the transition. We recommend the monitoring plan involve a process for ongoing stakeholder engagement. Key entities, such as managed care health plans, can provide data to monitor implementation of the transition from CHIP to Medicaid, such as the:
 - Date of child's transition
 - Number of children successfully transitioned
 - Number of children that were expected to transition, but did not and the reason why (e.g., child aged out)
 - Number of children with and without direct overlap of health plans and providers
 - Number of children remaining with their current providers and/or plans versus the number of children changing providers and/or plans
 - Average amount of time it took to get an appointment with a new provider
 - Service utilization rates, such as utilization of primary, specialty and dental health services
 - Volume of Out-of-Network authorizations or other monitoring of continuity of care requests
 - Number and type of complaints, grievances and appeals, and
 - Perception of families of the transition and other key stakeholders (e.g., conduct a beneficiary and/or provider satisfaction survey)
- Conduct periodic internal reviews at key points in the planned transitions and ensure there are contingency plans in place should an unanticipated problem be identified during the implementation process.

Proposals for an Alternative Transition Approach

In the event that a state can demonstrate that transitioning children with incomes between 100 and 133% of the FPL to Medicaid by January 1, 2014 will cause an undue hardship on families and/or a significant administrative burden on the state, CMS will consider alternative approaches for transitioning children from CHIP to Medicaid. A proposed alternative transition plan, including justification, would need to be submitted as soon as possible and approved by CMS. Notices to families explaining the alternative approach and options available to the family would also need to be approved in advance. States should consult with CMS as they develop their transition plan to ensure that it is in line with our guidance. These requests must be **received no later than November 1, 2013**.

Below are examples of alternative approaches that CMS would consider:

- *Phase-in transition based on meaningful criteria.* If a state has determined that some children will be able to remain with their current plan and provider, while other children will have to select a new plan and provider (e.g., due to differences in geographic areas), CMS will consider a phase-in approach that initially transitions the children that will experience a minimum amount of disruption and subsequently transitions those children that will experience more significant changes.
- *Give families the option to remain in CHIP until a child's next scheduled renewal.* For example, if there is a significant difference in how income and/or household size is currently determined between Medicaid and CHIP in the state, such that many families could experience a “bounce-back” to CHIP at their next renewal, a state might propose to allow families to opt-out of transitioning on January 1, 2014 and chose instead to wait until the child's next CHIP renewal to move them to Medicaid. The state would need to ensure that families are properly informed of the potential benefits of Medicaid coverage (such as the provision of EPSDT, no premiums, etc.) so that parents are able to make an informed choice.
- *Implement transition to coincide with other significant reforms in the state.* For example, if a state is moving from fee-for-service to managed care in a certain geographic area, it may be appropriate to delay the transition for a subset of children in order to avoid multiple changes for families and additional administrative burden on the state.

We hope this information will be helpful to states as they plan for and execute this transition in coverage for low-income children. Please contact Stacey Green at stacey.green@cms.hhs.gov with any questions regarding this guidance or to request technical assistance in developing transition plans.

Thank you for your commitment to ensuring continuity of coverage for the children in your state.